

## U.S. Department of Justice

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For Immediate Release November 1, 2004

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## MARIJUANA GROWER PLEADS GUILTY TO MARIJUANA CULTIVATION AND INCOME TAX EVASION

FRESNO--United States Attorney McGregor W. Scott announced today that STUART OLDEN JOHNSON, 38, of Prather, California, entered a guilty plea to one count of manufacturing marijuana and three counts of federal income tax evasion.

The case was investigated by the Internal Revenue Service–Criminal Investigation, Drug Enforcement Administration, and the Fresno Police Department.

JOHNSON pled guilty before U.S. District Judge Oliver W. Wanger and admitted that on November 20, 2003, he was in the process of cultivating marijuana at his residence at 30420 Chinquapin Lane in Prather, California. Specifically, JOHNSON had 85 marijuana plants growing in his master bedroom and bathroom and had already processed approximately three pounds of dried marijuana. On the door to his master bedroom, JOHNSON had posted a sign depicting a marijuana leaf and a medical cross, which stated, "Medical marijuana is being grown here by Stuart JOHNSON at the recommendation of William Turnipseed, M.D. under proposition 215. DO NOT REMOVE OR DESTROY."

According to the Medical Board of California, William Roland Turnipseed, M.D., is a licensed physician and surgeon who practices medicine in Auburn, California. Dr. Turnipseed is listed by the California chapter of the National Organization for the Reform of Marijuana Laws ("NORML") as a medical cannabis specialist.

Although California voters passed Proposition 215 in 1996, which legalized marijuana for medical use, marijuana remains an illegal drug under federal law.

In pleading guilty, JOHNSON also admitted that between January 1, 2001, and April 15, 2004, he was aware of the requirement to file federal tax returns and knowingly and willfully evaded the payment of federal income taxes for tax years 2001, 2002, and 2003, by failing to report gross income in the amount of approximately \$150,188. To conceal his income and to evade the payment of taxes, JOHNSON made cash payments for personal expenses and purchased money orders to make payment on expenditures, despite the fact that he had a personal checking account, in order to conceal and attempt to conceal his income from the proper officers of the United States. For tax year 2001, the defendant failed to file a timely tax return and did not report any income, notwithstanding gross income in the amount of \$64,626. For tax years 2002 and 2003, the defendant's cash expenditures exceeded the amount of gross income which he reported to the Internal Revenue Service. JOHNSON acknowledged that he owes to the Internal Revenue Service approximately \$58,000, and may be liable for additional taxes and civil penalties.

According to Assistant United States Attorney Karen A. Escobar of the Fresno United States Attorney's Office, who is prosecuting the criminal case, JOHNSON faces a maximum prison term of five years and a fine of up to \$100,000 for each count of tax evasion. For his conviction of manufacturing marijuana, JOHNSON faces a maximum prison term of twenty years and a fine of up to \$1,000,000. JOHNSON's sentencing date is set for January 10, 2005.

In a separate suit, the United States Attorney's Office has filed a civil forfeiture action against JOHNSON's property, including his residence in Prather, three motorcycles, one pickup truck, and one trailer. According to Assistant United States Attorney Kristi Kapetan, who is handling the forfeiture action, property, which represents the proceeds of criminal activity or which was used to facilitate illegal activity, may be subject to forfeiture.

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